

## **ADOPTION OF ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT TENNESSEE VALLEY AUTHORITY**

### **SECTION 26A APPROVAL OF ACTIVITIES ASSOCIATED WITH EXPANSION OF SHAW INDUSTRIES FACILITY IN SOUTH PITTSBURG, TENNESSEE**

#### **Proposed Action and Need**

In October 2013, the Shaw Industries Group (Shaw Industries) submitted a joint application to the U.S. Department of the Army, Army Corps of Engineers (USACE) and the Tennessee Valley Authority (TVA) requesting approval for construction of an expansion of its engineered hardwood flooring production facility located in South Pittsburg, Marion County, Tennessee. The company seeks to expand the manufacturing facility onto a 13.6-acre property owned by the company and adjacent to their current facility. To complete the expansion, Shaw Industries requires a permit from USACE under Section 404 of the Clean Water Act and a permit from TVA under Section 26a of the TVA Act (16 U.S.C. sec. 831). The TVA Section 26a permit approval ensures that the activities do not have a negative impact to the waterways in the project area and to TVA's management of the Tennessee River system as a whole.

Under their proposal, Shaw Industries would expand its existing facility on the northeast portion of the existing plant structure by constructing an addition approximately 160,000 square feet in size. The proposed building expansion would occupy approximately 3.7 acres of the 13.6-acre project site, which is wooded and transected by a small stream. Constructing the addition would require grading and levelling the site, removal of trees, the fill of an unnamed tributary of Poplar Springs Branch, and the removal of the majority of the employee parking lot (and associated sidewalks, bollards, and curbs). Approximately 943 feet of the unnamed tributary of Poplar Springs Branch would be relocated into a new 1,162-foot channel to abut the northeast portion of the new structure. A major portion of the employee parking lot, currently on the northeast side of the plant, would be relocated to the lawn area on the southwest side of the facility and along 12<sup>th</sup> Street; a small portion of the lot will remain on the northwest side of the new building along 11<sup>th</sup> Street. Shaw Industries estimates that construction would take a year to complete.

In their application, Shaw Industries stated that the expansion is necessary to increase production at the hardwood flooring manufacturing facility and that expansion of the existing facility is optimal because Shaw Industries currently owns the property and the existing facility is already designed to produce the product. Adding on to the existing structure allows Shaw Industries to utilize an integrated manufacturing process within one building structure.

The decision to be made by TVA is whether to grant a Section 26a permit to Shaw Industries to allow for the expansion of its manufacturing facility. TVA's interest in this project arises from its obligations under Section 26 of the TVA Act as well as its commitment to support sustainable economic growth within the Tennessee Valley region. The project would improve the area's economic base and would be consistent with TVA's policies and goals for regional economic development.



In response to the application package submitted by Shaw Industries, the USACE completed an environmental assessment (EA) to evaluate the proposal (see Attachment 1). The EA was completed by USACE on March 20, 2014. In the EA, USACE made a finding of no significant impact (FONSI) statement. Also on March 20, 2014, USACE issued Shaw Industries approval to discharge fill material under Section 404 of the Clean Water Act. TVA was a cooperating agency in the preparation of this EA and has independently reviewed it. TVA finds the EA to be adequate to support TVA's decision at hand and therefore adopts the EA and incorporates it herein by reference.

## **Alternatives**

In the EA, USACE identified two alternatives to the Shaw Industries proposal. Under the No Action Alternative, the expansion would not occur and the manufacturing facility would remain operational in its present state. The purpose and need for the action would not be met and the benefits to the company and community would not be realized.

Alternative locations and building footprints of the manufacturing facility expansion were addressed in the EA but not analyzed further because Shaw Industries owns the subject property and an addition to the existing facility allows manufacturing processes to occur in one facility. According to Shaw Industries, expanding the facility to the northwest would allow operations to continue during expansion and the interior of the current facility is currently "optimized and designed in a manner that the location of the expansion must be situated so that these processes are not interrupted, which necessitates expanding to the northeast of the existing plant." (EA, p. 6) For these reasons, alternative locations were not considered further.

## **Impacts Assessment**

Potential impacts of the proposed action to several resources were evaluated in the EA and are incorporated by reference and summarized herein. Upon review of the proposal and the existing conditions of the project area, the potential impacts to streams, wetlands, and floodplains were identified as relevant environmental issues. There was no potential for other resources to be significantly impacted by the project.

As noted above, expanding the Shaw Industries facility would require the fill and relocation of an unnamed tributary of Poplar Springs Branch into a new 1,162-foot channel to the north of the facility. The relocation of this tributary would be designed so that the new channel would be placed within an active floodplain with the expectation that the area would develop into wetlands similar to those lost. In addition, Shaw Industries would mitigate these impacts by purchasing in-lieu fee credits from the Tennessee Stream Mitigation Program.

The proposal would result in a loss of 0.16 acres of wetlands from the fill of materials. The 0.16 acre of wetland loss will be mitigated through the purchase of 0.32 credits (at a 2:1 ratio) from the Sequatchie Valley Mitigation Bank. In addition, the relocation of the unnamed tributary has been designed within the active floodplain so that wetlands similar to those impacted by the project would likely develop along the existing unnamed tributary, eventually providing wetland habitat on-site.

As described in the EA, impacts to floodplains are also anticipated. Although the Shaw Industries project site is not within a floodway, some areas lie within the 100- and 500-year floodplains. The floodplain elevations at the Shaw Industries facility are 612.8 feet at the 100-year floodplain elevation and 615.70 feet for the 500-year floodplain. The cut and fill activities



proposed by the applicant would result in a gain of flood storage of 2.74 acre-feet within the 100-year floodplain and a negligible decrease of 0.38 acre-feet within the 500-year floodplain. TVA has reviewed the EA and concurs with the determination that there is no practicable alternative to the proposed work. Therefore, the project development would comply with Executive Order 11988, "Floodplain Management."

The EA describes the potential impacts of the project to fish and wildlife resources as minor and addressed potential impacts to threatened and endangered species. As explained in the EA, USACE consulted with the U.S. Fish and Wildlife Service (FWS) in accordance with Section 7 of the Endangered Species Act and, by letter of January 10, 2014, the FWS agreed that potential impacts to the Indiana bat and to its summer roosting habitat would be adequately addressed by removing the few trees that were suitable for Indiana bat habitat outside of the summer roosting timeframe. The applicant will remove these trees between October 15 and March 31 to avoid summer roosting Indiana bats. The FWS concurred with the USACE determination that the project is "not likely to adversely affect" the Indiana bat. In addition, the FWS agreed that no federally listed or proposed, endangered or threatened species are known to occur within the impact area of the project, thus neither these species nor their habitats would be adversely affected by the proposed project actions. TVA concurs with this determination.

Significant impacts to cultural resources are also not anticipated. As described in the EA, a cultural resources survey was completed of the entire site in December 2013 and one archaeological site was located that was previously identified during a survey associated with a TVA transmission line. The site contains a mix of prehistoric and historic artifacts, a majority of which are consistent with "discard deposits" (EA, p. 17). Based on the survey information, USACE and TVA find that the site is not eligible for inclusion in the National Register of Historic Places (NRHP). In addition, the cultural survey identified five structural resources within the visual permit area. However, as stated in the USACE EA, the existing Shaw Industries facility currently alters the setting and expansion would not alter the setting. The USACE and TVA find that the project would have no adverse effect to historic properties at the site and consulted with the Tennessee Historical Commission under Section 106 of the National Historic Preservation Act. The Tennessee Historical Commission concur by letter of March 12, 2014, that the project will not adversely affect any property eligible for the NRHP and do not object to the project. No comments or objections to the project were expressed by Tribes that were contacted regarding the project.

### **Public and Intergovernmental Review**

The proposed stream relocation and wetland fill associated with the Shaw Industries' proposal was the subject of Joint Public Notice 13-50 issued by the USACE and TVA on December 11, 2013. As noted above, comments were received from FWS and from the Tennessee Historical Commission and no concerns were raised by either party. An email was received from the United Keetoowah Band of Cherokee Indians in Oklahoma expressing no comments or objections to the project. No other comments were received.

The USACE, as lead agency on TVA's behalf, consulted with the Tennessee Historical Commission under Section 106 of the National Historic Preservation Act and with the U.S. Fish and Wildlife Service under Section 7 of the Endangered Species Act.

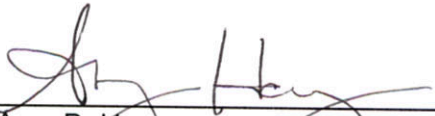
### **Mitigation and Special Permit Conditions**

As noted above, mitigation measures are required to address direct impacts to streams and wetlands in the project area. To mitigate impacts from the loss of 943 feet of an unnamed tributary of Poplar Springs Branch and its relocation into a new 1,162-foot channel, Shaw Industries has purchased in-lieu fee credits from the Tennessee Stream Mitigation Program. The project will result in the permanent loss of 0.16 wetland acres. Compensatory mitigation, namely the purchase of 0.32 (2:1 ratio) credits from the Sequatchie Valley Wetland Mitigation Bank, is required and will result in a no-net-loss of wetlands within the Tennessee River watershed. Shaw Industries has provided suitable documentation to TVA of these mitigation purchases and payments.

In addition, the applicant will adhere to the special conditions identified in the USACE EA, including a seasonal restriction on clearing trees that may serve as summer roosting habitat for Indiana bats and Best Management Practices to control the impact of erosion, sedimentation and other pollutants on receiving waters, both during and after construction. Many of these measures are routine conditions for TVA Section 26a approvals. TVA has not identified the need for additional mitigation or special permit conditions to further reduce impacts.

### **Conclusion and Findings**

TVA has independently reviewed the USACE EA and adopts the EA. Based upon TVA's findings, TVA concludes that the approval of a Section 26a permit for the alteration of an unnamed tributary and associated wetlands to allow for expanding the Shaw Industries facility would not be a major federal action significantly affecting the environment. Accordingly, an environmental impact statement is not required. This finding of no significant impact is contingent upon adherence to the permit conditions and mitigation measures described above.

  
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Amy B. Henry  
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Date Signed

**Attachment 1:** Department of the Army Environmental Assessment and Statement of Finding, March 20, 2014.